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SENSITIVE  
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USDA FAS FOR OCRA/CURTIS, FLEMINGS, KUYPERS;  
- OSTA/HAMILTON, BEAN  
PASS FSIS/HARRIES, DUTROW  
PASS APHIS MITCHELL  
STATE FOR EUR/RUS,  
STATE PASS USTR FOR PORTER, HAFNER, KLEIN  
BRUSSELS PASS APHIS/FERNANDEZ  
VIENNA PASS APHIS/TANAKA

E.O. 12958: N/A  
TAGS: [EAGR](#) [ETRD](#) [ECON](#) [WTO](#) [RS](#)  
SUBJECT: MINAG RAISES SAFETY CONCERNS OF U.S.  
POULTRY IMPORTS

REF: A) MOSCOW 2788, B) MOSCOW 2769, C) MOSCOW  
2740, D) MOSCOW 2620, F) MOSCOW 1674, G) MOSCOW  
1281

SENSITIVE BUT UNCLASSIFIED

11. (SBU) SUMMARY: The Russian Ministry of Agriculture expressed several specific concerns regarding the quality and safety of U.S. poultry via official letter received on September 16. The letter included a reminder that Russia will ban the use of chlorine in poultry production as of Jan 1, 2009, which will effectively block all U.S. poultry exports to Russia. In addition, the letter noted instances in which Salmonella was found in U.S. poultry meat shipments; an excessive number of U.S. poultry plants not in compliance with Russian requirements; and the lack of a U.S. response regarding alleged U.S. poultry found in Siberia that contained high arsenic residue levels. Following on the heels of Russia's request for consultations on the 2005 U.S.-Russia Meat Agreement, the letter appears to be a blatant attempt to raise safety questions about U.S. chicken and reiterate the threat to ban chlorine-treated poultry imports in 2009. The original scanned copy and courtesy translation of the letter were sent to USDA, USTR and the State Department's Russia Desk on September 17. END SUMMARY.

12. (SBU) The letter, addressed to AgMinCouns and signed by MinAg's Deputy Director for International Cooperation, is an apparent response to Secretary of Agriculture Schafer's letter to Minister Gordeyev dated August 12. Secretary Schafer's letter asked for an explanation of Russia's intent to ban the use of chlorine in poultry production and to ban frozen poultry meat to be used for further processing, even though there is no sound science to support such action (REFS F,G). According to standard protocol, the response should have been signed by Agriculture Minister Gordeyev and addressed to Secretary Schafer directly. The fact that it was not appears to have been an intentional snub from

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Background on Russian Poultry Industry  
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13. (SBU) Russian poultry production has grown on average by 15 percent over the last seven years, but still is only able to supply about half of total domestic consumption. Concentration of poultry production is growing in Russia as smaller companies decide to sell out instead of continuing to bleed profits due to skyrocketing input prices (mostly feed costs). The 30 largest poultry facilities in Russia produce around 60 percent of the total poultry meat consumed in Russia.

14. (SBU) Most domestically-produced poultry is chilled rather than frozen as Russian consumers overwhelmingly believe that fresh poultry tastes better. However, domestic poultry is substantially more expensive making it unaffordable for the fixed income and lower income segments of Russia's population. Large quantities of imported frozen poultry cuts are destined for Russia's regions where incomes are lower and there is no locally-produced poultry production.

15. (SBU) Restrictions on poultry imports will likely add to the current inflationary pressures on Russian food prices. Meat prices jumped 2.2

percent in August on a month-to-month basis, according to official statistics. Russian consumers will foot the bill as a decrease in supply causes domestic producers to raise poultry prices. This was confirmed in a recent conversation with the general director of Elinar Broiler who said that the company will raise prices immediately if and when restrictions are applied on imported poultry.

16. (SBU) The letter was received on September 16 although it was apparently backdated to September 10. An informal embassy translation of the letter follows:

BEGIN TEXT:  
September 10, 2008  
No. 12-2/1053

Minister-Counselor for Agricultural Affairs  
Embassy of the United States, Moscow  
Mr. Scott Reynolds

In accordance with your request we send you a response from the Federal Veterinary and Phytosanitary Surveillance Service.

On June 2, 2008, Mr. Onishchenko, Chief Medical Officer of the Russian Federation, signed Resolution no. 33, "On production and circulation of poultry meat," which was registered by the Ministry of Justice on June 23, 2008. The resolution ordered all legal entities and private entrepreneurs involved in poultry production, trade and import to stop treatment of bird carcasses with solutions containing chlorine in amounts exceeding the level permitted by SanPiN (sanitary rules and norms) 2.1.4.1074-01 titled, "Drinking water hygienic requirements on quality of water of centralized system of drinking water supply. Quality control," (registered by the Ministry of Justice on October 31, 2001, no. 3011). The resolution also ordered that the poultry industry take measures to limit the

amount of water from thawed poultry meat to not exceed 4 percent of the product weight.

These measures were taken because some local and foreign poultry-processing facilities use water containing active chlorine, and compounds produced from chlorine (sodium hypochlorite, calcium hypochlorite, magnesium hypochlorite, bleaching powder, chlorine dioxide, sodium dichloroisocyanurate, potassium dichloroisocyanurate), on a regular basis for reducing microbial contamination found on poultry carcasses during cooling. The amount of active chlorine in water that is used for cooling poultry is up to 50 mg per liter. For anti-microbial treatment of poultry meat, use of different organic acids (hypoacetic acid, milk acid, acetic acid) is strongly recommended.

Use of chlorine in water for cooling poultry meat results in the accumulation of oxidation of free chlorine on the surface and in deep muscle tissue of the poultry meat such as chlororganic compounds (chlorophenols, chloramines, trichloromethanes, etc) that are hazardous to human health.

In addition, there are too many cases of producers adding more water to increase the weight of poultry meat which is a violation of legislation with regards to consumer's rights protection. It also magnifies the risks of microbial and chemical contamination of poultry meat.

During routine monitoring of animal products and further laboratory tests in 2007-2008, VPSS repeatedly detained shipments of poultry meat from the United States that did not comply with Russian hygienic requirements on microbial safety and other norms (SanPiN 2.3.2.1078-01).

In an attempt to keep the Russian meat and poultry market safe for Russian consumers, VPSS delisted 10 U.S. establishments in 2007 (due to Salmonella detection in poultry meat) and 4 establishments were delisted for the period January 1 to August 12, 2008 (detection of Salmonella and tetracycline antibiotics) and 5 establishments were notified (the list is included).

Based on the results of the preliminary review of the random joint inspection materials of U.S. poultry establishments conducted during the period from July 26, 2008 to August 16, 2008, it was discovered that at some inspected plants supplying poultry meat to Russia, the Russian-American criteria were not met in full.

Furthermore, at many plants corrective actions against the deficiencies revealed during previous audits had not been performed.

In view of these circumstances, poultry plants P-00003, P-164, P-190, P-239, P-244, P-247, P-519, P-522, P-550, P-667, P-727, P-758, P-6510, P-6616, P-7101, P-7769, P-8727, P-19128 and P-20979 starting from September 1, 2008, were excluded by VPSS from the list of U.S. establishments approved to export poultry meat to the Russian Federation.

At the same time we draw your attention to the fact that during routine monitoring for residues of prohibited and harmful substances (including drugs) in frozen poultry meat (chicken leg quarters) shipments from the United States, an

excess amount of arsenic residue was detected. The product originated from 4 poultry processing plants of Peco Foods and 1 poultry-processing plant of Tyson Foods. The poultry meat was delivered to those plants for cutting from 4 Tyson Foods slaughterhouses and 2 Equity Group slaughterhouses.

In spite of our numerous requests (and many promises from FSIS representatives) to share with us the results of an investigation of the arsenic issue, no information has been received by the Russian side.

In the letter dated July 18, 2008, no. FS-EN-2/7197 VPSS asked FSIS to allow Russian experts to visit a few poultry farms during the recent audit of U.S. poultry facilities. However, the American Side was not willing to accommodate the request to VPSS officials.

Since no information has been provided to VPSS by the American side regarding the results of an investigation to the arsenic issue and since Russian veterinary experts were not allowed to visit poultry farms during the recent audit, I inform you that in order to avoid a ban on poultry imports from Tyson Foods (22 plants), Peco Foods (4 plants), and Equity Group (3 plants), all of which were mentioned in the VPSS letter no. FS-AS-2/8643 dated August 28, 2008, VPSS informed that results of your comprehensive investigation must be received within one month. As of September 15, 2008, no information has been provided to the Russian side.

Please accept, Mr. Reynolds, assurances of my deep respect for you.

V.L. Demyanenko  
Deputy Director of International Collaboration  
END TEXT.

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COMMENT  
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17. (SBU) The letter from MinAg appears to be a blatant attempt to raise questions about the safety of U.S. chicken and a warning of the Russian plan to ban chlorine-treated imports as of January 1, 2009, in advance of consultations on the 2005 U.S.-Russia Meat Agreement, which Russia formally requested in a September 11 letter from Economic Development Minister Nabiullina to U.S. Trade Representative Schwab (Ref B). MinAg is sending a message that, one way or another, it will lower the quantity of U.S. poultry exports to Russia and achieve the twin goals of protecting domestic producers and inflicting at least some cost on U.S. agribusiness interests. If GOR and USG officials do not reach an agreement through consultations, Russian veterinary officials will be ready to use other means to cut the flow of U.S. poultry exports to Russia, including the imposition of sanitary and phytosanitary measures based on chlorine and water content.

18. (SBU) Post recommends that USDA prepare a detailed response refuting various points mentioned in the letter prior to the consultations.  
BEYRL